

W.A.T.C.H. TV
WATCH NET

ORIGINAL

ORIGINAL

EX PARTE OR LATE FILED

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January 31, 2002
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Washington, D.C. 20554

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Presentation
CS Docket No. 01-290

On behalf of W.A.T.C.H. TV, I am writing to voice my strong support for the comments and reply comments filed in the FCC's program access proceeding (CS Docket No. 01-290) by the Joint Parties, a group which includes The Wireless Cable Association International, Inc. For the reasons stated in those filings, it is imperative that the FCC continue to enforce the ban on cable programming exclusivity set forth in Section 628(c)(2)(D) of the Cable Consumer Protection and Competition Act of 1992.

For the past ten years W.A.T.C.H. TV has been providing wireless cable service to rural communities in Western Ohio, particularly the area in and around the cities of Lima, Wapakoneta, Celina, Ottawa, St. Mary's, Ada, Bluffton, Van Wert and Bellefontaine. Since DBS does not offer "local-into-local" service in our communities, W.A.T.C.H. TV is the only competitive provider in the area that offers local television signals. Indeed, since off-air reception often is not feasible for subscribers in remote areas, many of our subscribers rely exclusively on our wireless cable service for local television programming. Presently, our Protected Service Area ("PSA") encompasses 250,000 homes. We currently have over 11,000 subscribers.

When we launched our system in 1992, our initial offering consisted of 11 channels. Over the next 4 years we were able to expand our channel lineup to 33 channels, which at the time was competitive with what the local cable MSOs were offering. Our business focused on rural areas and "special interest" subscribers such as elderly care centers and nursing homes. In 1999, W.A.T.C.H. TV supplemented its multichannel video service with one-way wireless high-speed Internet access with a telephone return.

Eventually, we realized that 33 analog channels of programming could not compete with the offerings of cable and DBS. Thus, last year we began converting our analog video system to digital, an effort that required enormous

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time and expense. All of our subscribers have now been converted to digital and we are in the process of preparing a 160-channel offering (see attached channel lineup). Also, in October of 2001 we began offering 2-way high speed Internet using our MDS and MMDS frequencies. Special "bundled" service rates apply when our subscribers purchase both our multichannel video and our two-way high-speed Internet access service.

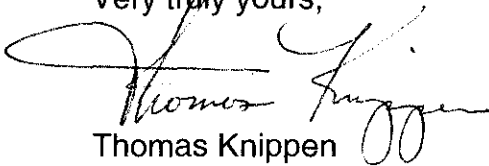
As a small company with limited resources, we face numerous challenges in competing with local cable MSOs (Time Warner, Adelphia and Charter) and DBS. However, we are most concerned about the fact that Time Warner controls popular cable channels (e.g., CNN, TBS, TNT, HBO) that are covered by the ban on exclusivity. We have already seen Time Warner aggressively target our customers with special deals that they do not offer elsewhere, i.e., free three months of basic service, free premiums, special rates etc. Time Warner also gives their sales personnel, installers, technicians and customer service representatives a \$100 "bounty" for every W.A.T.C.H. TV customer that they convert to Time Warner's service. There is no doubt that Time Warner will use its control over programming to inflict more economic harm on W.A.T.C.H. TV if the FCC stops enforcing the ban on exclusivity.

The MSOs and DBS already receive significantly better programming deals from the national cable networks. In fact, programmers such as ESPN, Disney and others will not permit even the National Cable Television Cooperative to sell programming to wireless cable operators. We pay the FULL load - definitely not a level playing field. Time Warner's influence also prevented us from purchasing the Ohio News Network, even though we had agreed to pay ONN's price - they would not sell to us because they had not settled with Time Warner and did not want to alienate the MSO by selling to a competitor. In other words, eliminating the ban on exclusivity will only worsen an already difficult situation for us.

The simple fact is that losing any programming that an MSO can offer puts our company at a huge disadvantage. How do you tell an existing or potential customer "no, I am sorry we cannot provide CNN, HBO, or TNT because Time Warner has it locked up"? The customer goes to Time Warner, our business is marginalized, and consumers lose the benefits that competitive wireless cable systems provide.

I therefore urge the FCC to protect and preserve the best interests of wireless cable operators and their customers by permitting the ban on exclusivity to remain in force, as requested by the Joint Parties. If you have any questions regarding our service or any of the matters discussed above, please do not hesitate to contact me directly.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas Knippen", written over a horizontal line.

Thomas Knippen
President & CEO

cc: W. Kenneth Ferree
William H. Johnson
Deborah Klein
Steven Broeckaert
Karen Kosar

W.A.T.C.H. TV

Digital Channel Lineup

Off Airs		419	TechTV	637	Big Band Swing	
7	CBS WHIO Dayton	Children's			638	Show Tunes
10	CBS WBNS Columbus	501	Nickelodeon	639	Great Standards	
13	ABC WTVG Toledo	512	Disney East	640	Jazz	
18	WLQP UPN	514	Toon Disney	641	Jazz Vocal Bands	
21	ABC WPTA Fort Wayne	515	Cartoon Network	642	Smooth Jazz	
22	NBC WKEF Dayton	516	TV Land	643	New Age	
25	FOX WOHL Lima	Music			644	Lite Classical
27	PBS WBGU Bowling Green	523	The Nashville Network	645	Symphonic	
35	NBC WLIO Lima	530	MTV	Variety		
44	WTLW Rel Chan 44	542	VH-1	718	USA	
55	FOX WFFT Ft Wayne	556	CMT	719	TBS Atlanta	
77	TV Data	557	Great American Country	729	ABC Family Channel	
Superstations		Religious			738	TNT
9	WGN Chicago (IND)	560	EWTN	760	Lifetime	
5	KTLA Los Angeles	561	Inspirational Network	761	Comedy Central	
11	WPIX New York	562	Trinity Broadcast Network	762	SCI-FI	
38	WSBK Boston	Shopping Channels			763	E - Entertainment
Sports		580 & 8	QVC	764	Court TV	
101&1	ESPN 1	581	Home Shopping	765	FX	
103&3	ESPN 2	CD Music			766	WE
105	Speedvision	601	Adult Alternative	767	Game Show Network	
106	FOX SPORTS OHIO	602	Adult Contemporary	768	BBC America	
107	FOX SPTS OHIO-ALT	603	Alternative	771	PAX	
108	FOX SPORTS WORLD	604	Hottest Hits	Premiums		
109	Outdoor Channel	605	Listening Room	801	HBO East	
111	The Golf Channel	606	Rap	802	HBO Plus East	
112	ESPN News	607	Urban Adult Contemporary	803	HBO Signature East	
113	ESPN Classic Sports	608	Urban Beat	804	HBO Family East	
News		609	Classic R & B	811	Cinemax East	
201	FOX News	610	Golden Oldies	812	More Max East	
202	CNN	611	Retro Disco	813	Action Max East	
203	CNN Headline News	612	Rock N Roll Oldies	821	Showtime East	
204	MS - NBC	613	70's Hits	822	Showtime Too	
214	The Weather Channel	614	80's Hits	823	Showcase	
215	C-SPAN 1	615	90's Hits	824	Showtime Extreme	
216	CNN FN	616	Flashback New Wave	825	Showtime Beyond	
Movies		617	Album Rock	831	Movie Channel East	
310	Turner Classic Movies	618	Hard Rock	832	Movie Channel East 2	
320	American Classic Movies (AMC)	619	Classic Rock	841	Flix East	
330	Independent Film Network	620	Rock N Blues	842	Sundance East	
Educational		621	Blues	851	Encore East	
401	Discovery	622	Folk Rock	852	Encore Love Stories	
402	Home and Garden	623	Rock N Country	853	Encore Westerns	
403	Discovery Kids	624	Traditional Country	854	Encore Mystery	
404	Discovery Science	625	Modern Country	855	Encore Action	
406	Discovery Home and Leisure	626	Holidays and Happenings	856	Encore True Stories	
407	Discovery Health	627	Gospel	857	Wam East	
408	Discovery Civilization	628	Contemporary Christian	861	Starz! East	
409	Discovery Wings	629	Soft Hits	862	Starz! 2 East	
410	The Food Network	630	Beautiful Instruments	863	Black Starz!	
411	A & E	631	Children's	864	Starz! Family East	
412	Animal Planet	632	Latin Contemporary	865	Starz! Cinema East	
413	The History Channel	633	Salsa	Pay-Per-View		
415	The Learning Channel	634	Dance	901-958	28 Channels of	
416	The Travel Channel	635	Reggae		InDemand and Sports	
418	Biography	636	Acid Jazz		Hits Pay Per View	